

TEESDALE DISTRICT COUNCIL

INTERNAL AUDIT SERVICE

INTERNAL AUDIT REPORT

REPORT ON:	Trade Waste & Bulky Items
AGREED WITH:	Gary Hutchinson

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Auditor:
Date Issued:

John Horsman
7 March 2008

1.0 INTRODUCTION

- 1.1 The audit examined the management of trade waste and bulky items.
- 1.2 The audit work was undertaken during November and December 2007.
- 1.3 It should be noted that the establishment of adequate control systems is the responsibility of management, and that an internal audit review is conducted on a test basis and cannot therefore review every transaction. Thus, while the implementation of internal audit recommendations can reduce risk, and may lead to the strengthening of these systems of control, responsibility for the management of these risks remains with the service manager.

2.0 EXECUTIVE SUMMARY

The audit reviewed the systems and processes in place for managing the collection of trade waste. The controls in place were generally sound with a small number of recommendations being made to improve the service.

OPINION

The overall audit opinion of the current systems for the management of trade waste and bulky items is that they are **satisfactory**, some risks identified and some minor changes should be made.

4.0 RISK ASSESSMENT OF WEAKNESSES

Finding Reference	Risk	Probability Score	Probability Commentary	Impact Score	Impact Commentary	Overall Score
3.01	Details aren't correctly input, resulting in the potential for erroneous or missed collections.	4	Current record keeping would not prevent this from occurring.	3	Services objectives only partially achieved with disruption to the service capability.	12
3.03	Stock is misappropriated.	3	Could occur in certain circumstances.	4	Impact upon service objectives, impairment to the service capability, financial loss and adverse publicity.	12
3.04	Customers dispute costs incurred through charge increases or an increase in bin size.	1	Unlikely to happen	1	No significant disruption to service capability. Minimal financial impact, unlikely to cause adverse publicity of any kind.	1
3.04	Customers have larger bins than they are paying for.	3	Occurs within my sample.	2	Little financial loss in isolated cases. No significant disruption to service capability.	6
3.04	Refuse crews make unnecessary collections.	3	Fairly likely to occur with the current method of collection scheduling, will happen occasionally.	1	Unlikely to cause adverse publicity, minimal financial impact, negligible disruption to service.	3

5.0 ACTION PLAN

Recommendation		Ranking	See Para	Management Response	To be actioned by:	
					Name	Date
5.01	Ensure details are correctly input into the CRM, with particular emphasis on names AND addresses being taken properly.	Important	3.01	<p>The addresses that are in the name field were entered at the initial data load. So this is a historic issue and nothing to do with Customer Services.</p> <p>Simon trained Nicola the last time he was here as to the correct way to enter a name against their address, she has taken on the job of training the rest of the team. There are also some training sessions with Simon coming up.</p> <p>Dave Malcolm has a task to remove the addresses from the name fields.</p>	Madeline Hill	31/05/08
5.02	The depot should have an accurate record of stock, with both incoming and outgoing stock recorded (details should include size, the date and where the bin has come from or is going to). A regular stock count should be carried out, detailing quantities of bins. The office should accurately record any bins delivered to or collected from premises. These measures would allow regular reconciliations to take place and ensure we know exactly where stock has gone.	Important	3.03	<p>From April 1st a quarterly stock count will be carried out of both residential and trade bins. A record will be kept of any bins taken from stock, signed as being delivered by both the customer and person delivering, and those returned to stock will be signed back in.</p>	David Oates	01/04/08
5.03	Ensure trade waste contracts are updated correctly to reflect current and accurate details and signed by the customer to confirm they agree to the updated contract.	Useful	3.04	<p>From April 1st the contracts will be updated for the new financial year.</p>	Jean Chapman	01/04/08
5.04	Ensure the register is correct and that contracts and invoiced amounts reconcile.	Useful	3.04	<p>From April 1st the contracts will be updated for the new financial year.</p>	Jean Chapman	01/04/08

AUDIT REPORT BY THE INTERNAL AUDIT SERVICE

Recommendation		Ranking	See Para	Management Response	To be actioned by:	
					Name	Date
5.05	Ensure the trade waste register is accurate and up to date and given to each crew on a regular basis, indicating in detail quantity and size of bins a customer carries, as well as whether the customer requires a collection (ie if a company has a 50 collection year, with a 2 week Christmas break, December will indicate which 2 weeks don't require a collection).	Useful	3.04	The crews are to be given an updated list on a quarterly basis, supplemented by a memo to be attached to the crews list should any amendments occur.	Jean Chapman	Ongoing